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Del. invents firm boost; Donated patents could be boon to companies

By Kate House-Layton, Delaware State News

DOVER — The state's new collection of undeveloped patents could be success stories waiting to happen.

The Delaware Economic Development Office last month launched its intellectual property business creation program, which will aid enterprising groups or individuals in taking over a patent, getting some startup funds and going to work.

"We are providing all of the raw materials and support for a new technology-based business to get started and grow," DEDO executive director Judy McKinney-Cherry said.

DuPont Co. and Hercules Chemical Co. have donated more than 100 patents, for products ranging from agriculture to fiber optics, to the program.

Some of the patented products require more scientific research and development, while others are more market-ready, Ms. McKinney-Cherry said.

In the program, entrepreneurs would approach the state with a letter of intent and a business plan for marketing the patented product.

"We want to know it's a viable opportunity, that it is truly going to lead to a new business," Ms. McKinney-Cherry said.

Successful candidates would then take the patent and startup funds and develop or market the product.

The program would not provide a location to develop or market the product, Ms. McKinney-Cherry said.

Previously, companies such as DuPont had commissioned universities to research and develop patented products.

"This is the first time an economic development organization has really, truly taken the concept and put it into practice," Ms. McKinney-Cherry said.

"It's not about additional research, it's about creating business."

There is the risk of failure for the businesses assuming the patents, but Ms. McKinney-Cherry said there's always a risk for startup companies.

"That's the challenge of being a business owner," she said.

The state acquired the patents through partnerships with the two Delaware-based companies.

DEDO contributed a \$2.3 million grant to Hercules to consolidate operations from the Netherlands and Florida to Wilmington.

The agency also partnered with DuPont by contributing \$5 million to help the company develop a Delaware Innovation Center, which would combine biotechnology laboratories and marketing offices for its products.

In exchange, Hercules donated five patents and DuPont agreed to donate 100, with another 150 to be provided in coming years.

DuPont also agreed to conduct biotechnology seminars at Delaware high schools.

The patents were donated for various reasons, but primarily because the products do not fit the companies' business plan or because the company wasn't utilizing the patent's potential, Ms. McKinney-Cherry said.

Even though a company decides not to use a patent, intellectual property is still valuable, said Mike Walker, chief intellectual property counsel for DuPont.

DuPont holds 5,700 U.S. patents and has 4,000 pending patent filings with the government, DuPont spokeswoman Michelle Reardon said.

One of DuPont's donated patents is to modify plants to produce a replica of spider silk.

Of the thousands of products that DuPont creates, some that the company donated were for items that aren't directly connected with commercial products, Ms. Reardon said.

"They were being underutilized by DuPont so we thought they would have a better use with the state," she said.

Hercules, which makes pulp and paper as well personal care products, donated a patent for modifying feed stock through enzymes because the product doesn't fit the company's identity, said Steve Prescott, director of Hercules Research Center in Wilmington.

"From our perspective, this intellectual property business creation program is a good idea because it's something that if you can partner the right people with the technology and it can be commercially viable, then everybody wins in the end," Mr. Prescott said.

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